

United States
Lease Financing. Inc.



733 Front Street
San Francisco, California 94111
(415) 627-9276
Telex: 278031 USLF UR

RECORDATION NO. 6035-A Filed & Recorded

SEP 15 1986 3-00 PM

INTERSTATE COMMERCE COMMISSION

September 10, 1986

Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N. W.
Washington, D.C. 20423

Attention: Mrs. Mildred Lee, Room 2303

Gentlepersons:

Enclosed for recordation under the provisions of Section 11303 (formerly 20c) of the Interstate Commerce Act and the regulations promulgated thereunder, as amended, is an original and three counterparts of a Release of Security Interest which document is a supplement to a Chattel Mortgage, Assignment of Rents and Security Agreement dated as of December 23, 1968. Said Agreement was filed with the Interstate Commerce Commission on December 23, 1968 and assigned ICC Recordation Number 6035.

The names and addresses of the parties to the enclosed are:

MORTGAGOR: D. E. Mundell and Donovan S. Thayer,
Co-Trustees Under a Trust Agreement dated as of
August 1, 1968 and United States Leasing
International, Inc., Solely as Agent for the
Trustees
733 Front Street
San Francisco, California 94111

MORTGAGEE: Continental Assurance Company
CNA Plaza
Chicago, Illinois 60685

The general description of the equipment is contained in the Schedules to the Security Agreement.

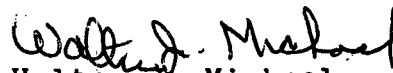
We are acting on behalf of our parent company which is the Agent for the Mortgagor, and we ourselves have knowledge of the matter set forth herein.

September 10, 1986
Page 2

Enclosed is a remittance in the amount of \$10.00 covering the required recording fee.

Please return three recorded copies to the undersigned.

Very truly yours,



Walter J. Michael

Treasurer

415/627-9283

WJM:cb

Encl

6038-D
RECORDATION NO. W. Filed & Recorded

JAN 21 1969 -10 10 AM

INTERSTATE COMMERCE COMMISSION

AMENDMENT NO. 2

Dated as of December 31, 1968

of

CONDITIONAL SALE AGREEMENT

Dated as of November 20, 1968

among

LEASE FINANCING CORPORATION

FRAZER LEASING CORPORATION

and

PENN CENTRAL COMPANY

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AMENDMENT NO. 2
TO
CONDITIONAL SALE AGREEMENT

THIS AMENDMENT NO. 2 TO CONDITIONAL SALE AGREEMENT dated as of December 31, 1968 among LEASE FINANCING CORPORATION, a Pennsylvania corporation (hereinafter called the Vendor or Seller as more particularly set forth herein), FRAZER LEASING CORPORATION, a Pennsylvania corporation (hereinafter called the Vendee) and PENN CENTRAL COMPANY, a Pennsylvania corporation (hereinafter sometimes called the Guarantor).

WHEREAS, the Seller, the Vendee and the Guarantor have heretofore entered into a conditional sale agreement, dated as of November 20, 1968 (hereinafter called the Agreement) by which the Seller sold certain used railroad equipment (hereinafter called the Equipment) to the Vendee and the Guarantor guaranteed the due and punctual payment of certain sums payable by, and the due and punctual performance of all other obligations of, the Vendee under the Agreement; and

WHEREAS, the Seller, the Vendee and the Guarantor have heretofore amended the Agreement by Amendment to Conditional Sale Agreement dated as of December 1, 1968 (hereinafter called First Amendment); and

WHEREAS, the Seller, the Vendee and the Guarantor desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree to amend the Agreement as follows:

1. As used in this Amendment, the terms defined in the Agreement and the First Amendment shall have the same meanings herein.

2. The 5th full paragraph of Article 3 of the First Amendment is amended to read in full as follows:

"The first installment of the Conditional Sale Indebtedness shall be payable on July 1, 1969, and subsequent installments shall be payable semi-annually thereafter on each January 1 and July 1 to and including January 1, 1981 (or if any such date is not a business day on the next succeeding business day), each such date being hereinafter called a Payment Date. The unpaid balance of the Conditional Sale Indebtedness shall bear interest from December 26, 1968 at the rate of seven and one-half percent (7.50%) per annum and such

interest shall be payable, to the extent accrued, on December 31, 1968 and thereafter on each July 1 and January 1, commencing July 1, 1969. The principal amount of Conditional Sale Indebtedness payable on each of the 24 semi-annual Payment Dates shall be calculated on such a basis that the aggregate of the principal and interest payable on each Payment Date will completely amortize the Conditional Sale Indebtedness. The Vendee will furnish to the Vendor and the Guarantor at the Closing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date.

3. The 7th full paragraph of Article 3 of the First Amendment is amended to read in full as follows:

"The Vendee will pay interest at the rate of 8% per annum upon all amounts, including but not limited to the Conditional Sale Indebtedness and interest thereon, remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding."

4. The first paragraph of Article 5 of the First Amendment is amended to read in full as follows:

"Article 5. Casualty Occurrence and Insurance. In the event that any Equipment shall be or become worn out, lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever, except willful cause by the Lessee, or taken or requisitioned by condemnation or otherwise (such occurrences being herein called Casualty Occurrences), the Vendee shall, within 30 days after it shall have determined that such equipment has suffered a Casualty Occurrence cause the Vendor to be fully informed in writing in regard thereto, including in such information a statement of the causes or reasons for such Casualty Occurrence. On the next succeeding January 1 or July 1, whichever is the earlier, the Vendee shall pay to the Vendor a sum equal to the Casualty Value (as hereinafter defined) of such Equipment suffering a Casualty Occurrence as of the date of such payment and shall file with the Vendor a certificate setting forth the determination of the Casualty Value of such unit."

5. Article 10 of the First Amendment is amended to read in full as follows:

"Article 10. Taxes. All payments to be made by the Vendee hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor with respect to the amount of any local, state or federal or Canadian (dominion or Provincial) taxes (other than net income, gross receipts (except gross receipts in the nature of or in lieu of sales taxes), excess profits and similar taxes) licenses, charges, fines or penalties hereafter levied or imposed upon, or in connection with,

or measured by, this Agreement or any sale, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes, licenses, charges and penalties the Vendee assumes and agrees to pay on demand in addition to the Purchase Price of the Equipment. The Vendee will also pay promptly all taxes, assessments, license fees, charges, fines or penalties (hereinafter called "impositions") which may be imposed upon the Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon the Vendor solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all impositions which might in any way affect the title of the Vendor or result in a lien upon any Equipment; provided, however, that the Vendee shall be under no obligation to pay any impositions of any kind so long as it is contesting in good faith and by appropriate legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder. If any impositions shall have been charged or levied against the Vendor directly and paid by the Vendor, the Vendee shall reimburse the Vendor on presentation of an invoice therefor."

6. Anything in Annex B to the First Amendment to the contrary notwithstanding, the Penn Central Company numbers for the seventeen 40' box cars being rebuilt as transfer cabooses are Penn Central numbers 18265 to 18281 inclusive.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers thereunto duly authorized, and their respective corporate seals hereunto to be affixed and duly attested.

LEASE FINANCING CORPORATION

By D. Charles Mennicken
President

SEAL

Attest:

Dolly Powers
Assistant Secretary

FRAZER LEASING CORPORATION

By Levin G. Zelnick
Vice President

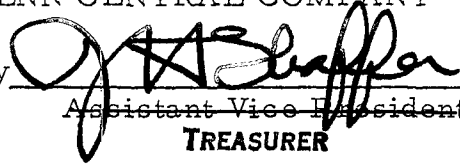
SEAL

Attest:

Morris H. Wolff
Asst. Secretary

PENN CENTRAL COMPANY

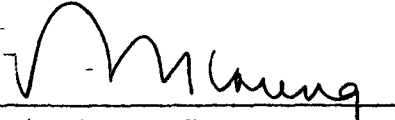
By



~~Assistant Vice President~~
TREASURER

SEAL

Attest:



Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF MONTGOMERY :

On this 14th day of January, 1969, before me personally appeared Louis A. Zehner, Jr., to me personally known, who, being by me duly sworn, says that he is a Vice President of FRAZER LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Louis C. Berger
Notary Public

My Commission Expires: 5/25/70

COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF PHILADELPHIA :

On this 17th day of January, 1969, before me personally appeared **J. H. SHAFFER** to me personally known, who, being by me duly sworn, says that he is the ~~Assistant Treasurer~~ President of PENN CENTRAL COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William J. O'Neill
Notary Public

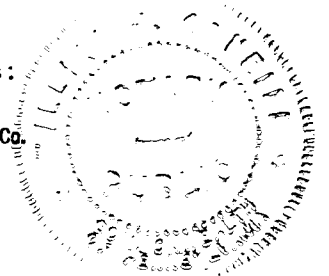
My Commission Expires:

WILLIAM J. O'NEILL

Notary Public, Philadelphia, Philadelphia Co.

My Commission Expires June 26, 1972

SEAL

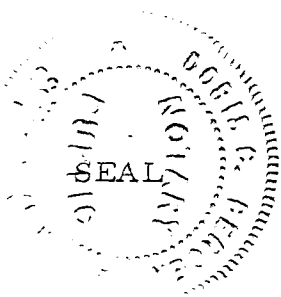


COMMONWEALTH OF PENNSYLVANIA:

ss.

COUNTY OF MONTGOMERY :

On this *14th* day of *January*, 1969, before me personally appeared D. Charles Merriwether, to me personally known, who, being by me duly sworn, says that he is President of LEASE FINANCING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Alvin P. Berger

Notary Public

My Commission Expires: 5/25/70